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UNITED STATES DEPARTMENT OF AGRICULTURE
Food Distribution Administration

[Docket No. AO 117-A 3]

WASHINGTON, D. C., MARKETING AREA

NOTICE OF HEARING ON HANDLING OF MILK

PROPOSED AMENDMENTS TO TENTATIVELY APPROVED MARKETING
AGREEMENT, AS AMENDED, AND ORDER, AS AMENDED, REGULA-
TING THE HANDLING OF MILK IN THE WASHINGTON MARKETING AREA

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Pursuant to the Agricultural Marketing Agreement Act of 1937,
as amended (7 U.S.C. 1940 ed. 601 et seq.), and in accordance with
the applicable rules of practice and procedure thereunder (7 CFR
900.1-900.17; 6 F.R. 6570, 7 F.R. 3350), notice is hereby given of
a hearing to be held in the Auditorium, South Building, United
States Department of Agriculture, Washington, D. C., beginning at
10 a.m., e.w.t., January 18, 1943, with respect to proposed amend-
ments to the tentatively approved marketing agreement, as amended,
and the order, as amended, regulating the handling of milk in the
Washington marketing area. These amendments have not received
the approval of the Secretary of Agriculture.

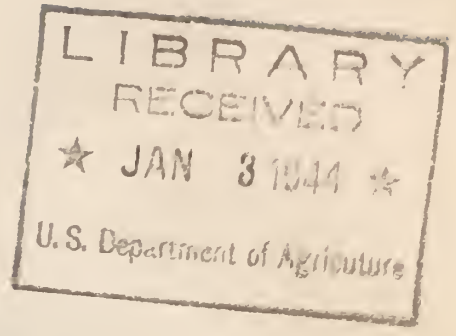
This public hearing is for the purpose of receiving evidence
with respect to the economic or marketing conditions which relate
to the amendments or any modification thereof, which are herein-
after set forth. Such evidence may also include economic or
marketing data relative to the provisions of the said tentatively
approved marketing agreement and order which will be affected by
approval of the proposed amendments or any modification thereof.
The amendments which have been proposed are set forth below:

PROPOSED BY MARYLAND AND VIRGINIA MILK PRODUCERS' ASSOCIA-
TION, INC.

1. In Sec. 945.1(a)(5), delete the words "or cream" in
line 5 and add the words

"from which no milk was shipped to the market-
ing area as milk during the preceding year"

at the end of the definition of a "producer."



2. Delete Sec. 945.4(b)(1) and (2) and substitute therefor the following:

"(1) Class I milk: All milk disposed of in the form of fluid milk, skim milk, buttermilk, flavored or manufactured milk drinks, the butterfat in cottage cheese, and plant shrinkage.

"(2) Class II milk: All milk the cream therefrom which is disposed in the form of cream."

3. Amend Sec. 945.5(c) as follows:

(a) Delete the words "and cream" in the title paragraph (c).

(b) In subparagraph (1), delete the words "or cream" in line 1 and the words "and cream" in line 7; at the end of line 11 change the period to a semi-colon and add the words

"and that the allocation shall not violate the provision relating to 'Emergency Supplies' in subparagraph (2) below."

(c) Delete subparagraph (3) and substitute therefor the following:

"Milk, skim milk, and cream designated as 'Emergency Supplies' shall be classified as Class II, except any of these 'Emergency Supplies' in excess of the total amount of Class II used by the receiving handler shall be allocated to Class I; provided that 'Emergency Supplies' shall be deemed to be any milk or cream received by a handler from plants outside the marketing area, except from plants from which milk was delivered to the marketing area in May 1942."

4. Delete Sec. 945.4(d)(1) and (2) and substitute therefor the following:

"(1) Class I milk: Combine into one total the pounds of products disposed of as Class I, plus the milk equivalent of butterfat in cottage cheese and in plant shrinkage.

"(2) Class II milk: Deduct the total pounds of Class I milk determined in (1) above from the gross receipts of milk and milk equivalent of cream from all sources."

5. Amend Sec. 945.5(a) as follows:

(a) In subparagraph (1), substitute "\$4.50" in line 1 for "\$3.57"; in line 4 and line 8 substitute "\$4.04" for "\$3.11."

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(b) In subparagraph (2)(i), substitute "\$1.00" in line 7 for "28 cents"; in line 7 and line 8 delete the words "and subtract $23\frac{1}{2}$ cents."

(c) Add a new subparagraph as follows:

"(3) Sales outside the marketing area. For handlers shipping emergency supplies of milk or cream into the marketing area, the price for milk or cream disposed by these handlers outside the marketing area shall be such prices as were paid the majority of farmers in the market where such milk was disposed of, in lieu of the class prices set forth in (a) of this section."

6. Delete Sec. 945.7(a) and substitute therefor the following:

"(a) Computation of value for each handler. For each delivery period the market administrator shall compute the value of milk disposed of by each handler receiving milk from other producers, as follows: Multiply the hundredweight of milk in each class by the price applicable to Section 945.5; add the resulting values together; deduct the product obtained by multiplying the Class II price by the hundredweight of milk equivalent (at the average test of milk received from producers) in the butterfat in cream received from plants at which no milk is received from producers; then deduct the products obtained by multiplying the applicable class price by the milk designated as 'Emergency Supplies', and divide the remaining sum by the hundredweight of milk received from producers, exclusive of milk designated as 'Emergency Supplies.'"

7. Amend Sec. 945.8(a) as follows:

(a) Delete subparagraph (1) and substitute therefor the following:

"(1) Semi-monthly payments. On or before the 20th day of each delivery period, each handler shall make payment to producers for the approximate value of milk received during the first 15 days of each delivery period and on or before the 5th day after the end of each delivery period, each handler shall make payment to producers for the approximate value of milk received from the 16th to the end of the delivery period."

(b) In subparagraph (2), substitute "15th" for "18th."

8. In Sec. 945.8(d), substitute a semi-colon for the period after the word "plant" and add thereto the following:

"Provided that in the case of handlers delivering milk qualifying as 'Emergency Supplies' pursuant to Section 945.4, paragraph (c), then in lieu of the \$.18 location adjustment specified above, the handler may deduct an amount per hundredweight equivalent to the cost of transporting such milk to the marketing area but in no event shall this amount exceed the railroad rates established by the Interstate Commerce Commission."

PROPOSED BY EMBASSY-FAIRFAX DAIRY, INC.

1. Provide for a market-wide pool instead of the present individual handler pool.
2. Provide for a receiving station differential of 18 cents per hundredweight and a transportation differential of 50 cents per hundredweight for milk received at plants located in Queen Anne's County, Maryland.
3. Provide that plant loss of 2 percent be placed in Class II instead of Class I.

PROPOSED BY CHESTNUT FARMS-CHEVY CHASE DAIRY COMPANY

1. Provide for the classification of plant loss not to exceed 2 percent by volume of receipts in "Class II milk."

PROPOSED BY MARTIN'S DAIRY

1. In Sec. 945.5, add a subparagraph as follows:

(b) "Sales outside the marketing area. In lieu of prices set forth in this section, the prices to be paid by handlers for Class I milk and Class II milk disposed of from those wagons or trucks which do not travel within the marketing area at any time while containing any milk or cream shall be such prices as were paid to farmers in the market where such milk was disposed of for milk of equivalent use, as ascertained by the market administrator."

PROPOSED BY DAIRY AND POULTRY BRANCH, FOOD DISTRIBUTION ADMINISTRATION

1. Delete Sec. 945.3(b)(2) and substitute therefor the following:

"(2)(i) Those facilities necessary for the checking of the weighing and sampling of milk and adequate records for determining the utilization of milk or cream by the handler.

"(ii) In establishing the classification of any milk or cream received at a plant from producers, the burden rests upon the handler who received the milk from producers to show that it should not be classified as Class I milk."

Copies of this notice of hearing, of the tentatively approved marketing agreement, as amended, and of the order, as amended, now in effect, may be procured from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 1331 South Building, Washington, D. C., or may be there inspected.

(signed) Thomas J. Flavin
Assistant to the Secretary of Agriculture

Dated: January 12, 1943
Washington, D. C.

Acting pursuant to the
authority delegated by the
Secretary of Agriculture
under the Act of April 4,
1940 (54 Stat. 81; 7 F.R.
2656)

